



# SHREE KARNI FABCOM LIMITED

Corporate Identification Number: U47820GJ2023PLC140106



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**THE COMMENCEMENT OF TRADING OF THE EQUITY SHARES OF OUR COMPANY ON THE STOCK EXCHANGE SHALL BE WITH EFFECT FROM ON THURSDAY, MARCH 14, 2024**

Our Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 our Company was converted into a public limited company and consequently the name of our Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. For details relating to change in the Registered Office of our Company, please refer to "History and Certain Corporate Matters" on page 135 of the Prospectus.

Registered Office: Plot 188, 189, 190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat - 394 317, Gujarat, India.

Telephone: +91 262 235 0900 | E-mail: shreekarni@skflindia.com | Facsimile: N.A | Website: www.skflindia.com | Contact Person: Jyoti Chittlangiya, Company Secretary & Compliance Officer

## OUR PROMOTERS: MANOJ KUMAR KARNANI, RADHE SHYAM DAGA, RAJIV LAKHOTIA AND RAJ KUMAR AGARWAL

ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE/ SME NSE/ NSE EMERGE). Our company has filed Prospectus dated March 12, 2024 with Registrar of Companies, Gujarat at Ahmedabad. The Equity shares are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited (NSE/ SME NSE/ NSE EMERGE) and trading will commence on Thursday, March 14, 2024.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 18,72,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF SHREE KARNI FABCOM LIMITED (THE "COMPANY" OR "SKFL" OR "ISSUER") AT AN ISSUE PRICE OF ₹ 227/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 217/- PER EQUITY SHARE) FOR CASH, AGGREGATING TO ₹ 4,249.44 LACS ("PUBLIC ISSUE") OUT OF WHICH 93,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 227/- PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 212.47 LACS WERE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 17,78,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 227/- PER EQUITY SHARE FOR CASH, AGGREGATING TO ₹ 4,036.97 LACS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.15% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

### -: RISKS TO INVESTORS :-

- We cannot assure you that the proposed manufacturing units for dyeing of fabrics and the unit for manufacturing bags will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.
- As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed manufacturing units. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.
- Our expansion into new product categories and an increase in the number of products offered by us may expose us to new challenges and more risks.
- Our Company has a very limited operating history of dyeing operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.
- Average cost of acquisition of Equity Shares for the Promoters are as under:

NAME OF PROMOTER	WACA in ₹ per equity share
Manoj Kumar Karnani	2.00
Raj Kumar Agarwal	2.00
Rajiv Lakhota	2.00
Radhe Shyam Daga	2.00

- The Issue Price at the upper end of the Price Band is ₹ 227.00 per Equity Share.
- The Weighted average cost of acquisition compared to floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 220/-)	Cap price (i.e. ₹ 227/-)
WACA of Primary Issuance (except for bonus issue) (exceeding 5% of the pre issue capital)	NA	NA	NA
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA	NA	NA

\*As there were no primary Issuance of shares and /or secondary sale / acquisition exceeding 5%.

The Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years from the date of Prospectus is as given below:

Period	Weighted Average Cost of Acquisition (in ₹)	Upper end of the Price Band (₹ 227) is 'X' times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	NA*	NA*	NA*
Last 18 months / Last 3 years	NA*	NA*	NA*

\*A There were no secondary sale / acquisition of shares in last 1 year / 18 months from the date of the Prospectus.

Disclosure of past issues handled by Horizon Management Private Limited is as follows:

SME:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day*			Nos. of IPOs trading at premium - 30th calendar day from listing day*			Nos. of IPOs trading at discount - 180th calendar day from listing day*			Nos. of IPOs trading at premium - 180th calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	3*	155.97	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil	

\*MVK Agro Food Product Ltd got listed on March 7, 2024, thus 30 and 180 days not completed.

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day*			Nos. of IPOs trading at premium - 30th calendar day from listing day*			Nos. of IPOs trading at discount - 180th calendar day from listing day*			Nos. of IPOs trading at premium - 180th calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	
2023-2024	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	

## BID / ISSUE PROGRAMME

**ANCHOR INVESTOR BIDDING DATE OPENED AND CLOSED ON TUESDAY, MARCH 5, 2024**  
**BID/ISSUE OPENED ON WEDNESDAY, MARCH 6, 2024**  
**BID/ISSUE CLOSED ON MONDAY, MARCH 11, 2024**

## THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00/- EACH

### ANCHOR INVESTOR ISSUE PRICE ₹ 227.00 PER EQUITY SHARE

### THE ISSUE PRICE IS ₹ 227.00 PER EQUITY SHARE. THE ISSUE PRICE IS 22.7 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

### PROPOSED LISTING

The Equity Shares of the Company offered through the Prospectus dated March 12, 2024 are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") of in terms of the Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received In-Principle Approval Letter dated February 23, 2024, from National Stock Exchange of India Limited for listing our shares and also for using its name in the Issue document for listing of our shares on NSE Emerge. It is to be distinctly understood that the permission given by National Stock Exchange of India Limited should not in any way be deemed or construed that the Issue Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Issue Document. The investors are advised to refer to the Prospectus for the full text of the "Disclaimer Clause of the Emerge Platform of National Stock Exchange of India Limited" on page 232 of the Prospectus. For the purpose of this issue the Designated Stock Exchange will be NSE Emerge. The trading is proposed to be commenced on or before March 14, 2024 (Subject to receipt of listing and trading approval from National Stock Exchange of India Limited).

This Issue was made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 (1) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 49.97% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, not less than 15.01% of the Net Issue was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.02% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 239 of the Prospectus.

All investors have participated in this issue through Application Supported by Blocked Amount ("ASBA") process including through Unified Payment Interface ("UPI") mode (as applicable) by providing the details of the respective bank accounts / UPI ID as applicable in which the corresponding application amounts were blocked by Self Certified Syndicate Banks (the "SCSBs") / Sponsor Bank as the case may be.

#### SUBSCRIPTION DETAILS

#### DETAILS OF THE APPLICATION:

The Issue (excluding Anchor Investors Portion) received 3,68,178 Applications for 36,94,42,200 Equity Shares (before technical rejections) resulting in 275.87 times subscription (including reserved portion of market maker).

The details of the Applications received in the Issue from various categories are as under: (before technical rejections):

#### DETAILS OF APPLICATIONS RECEIVED (before technical rejection)

Category	Number of applications	Number of equity shares Bid for	Number of equity shares reserved as per Prospectus	Number of times subscribed
Qualified Institutional Buyers (excluding Anchor Portion)	64	3,94,21,800	3,55,800	110.80
Non-Institutional Bidders	24,934	12,40,10,400	2,67,000	464.46
Retail Individual Investors	3,43,179	20,59,16,400	6,22,800	330.63
Market Maker	1	93,600	93,600	1.00
<b>TOTAL</b>	<b>3,68,178</b>	<b>36,94,42,200</b>	<b>13,39,200</b>	<b>275.87</b>

Category	Number of applications	Number of equity shares Bid for	Number of equity shares reserved as per Prospectus	Number of times subscribed
Anchor Investors	4	5,32,800	5,32,800	1.00

#### DETAILS OF VALID APPLICATIONS:

Sr. No.	Category	Gross*		Less: Valid Rejections		Valid		Allotment	
		Applications	Equity Shares	Applications	Equity Shares	Applications	Equity Shares	Applications	Equity Shares
1	Qualified Institutional Buyers (excluding Anchor Portion)	64	39421800	0	0	64	39421800	64	355800
2	Retail Individual Investors	343179	205916400	5544	3335400	337635	202581000	1038	622800
3	Non-Institutional Bidders	24934	124010400	409	978000	24525	123032400	403	267000
4	Market Maker	1	93600	0	0	1	93600	1	93600
	<b>Total</b>	<b>368178</b>	<b>369442200</b>	<b>5953</b>	<b>4313400</b>	<b>362225</b>	<b>365128800</b>	<b>1506</b>	<b>1339200</b>

**ALLOCATION:** The Basis of Allotment was finalized in consultation with the Designated Stock Exchange i.e. National Stock Exchange of India Limited on March 12, 2024.

**Allocation to Market Maker (After Technical Rejections):** The Basis of Allotment to the Market Maker, at the issue price of ₹ 227.00/- per Equity Share, was finalised in consultation with National Stock Exchange of India Limited. The category was subscribed by 1.00 time. The total number of shares allotted in this category is 93,600 Equity Shares in full out of reserved portion of 93,600 Equity Shares.

**Allocation to Retail Individual Investors (After Technical Rejections):** The Basis of Allotment to the Retail Individual Investors, at the issue price of ₹ 227.00/- per Equity Share, was finalized in consultation with National Stock Exchange of India Limited. The category was subscribed by 325.27 times. The total number of shares allotted in this category is 6,22,800 Equity shares out of reserved portion of 6,22,800 Equity Shares.

No. of Shares Applied for (Category wise)	Number of applications received	% to total	Total No. of Shares Applied	% to total	No. of Equity Shares Allotted per Applicant	Number of successful applicants (after rounding)	Ratio	Total No. of Shares Allotted	Surplus / Deficit
Retail Individual Investors	3,37,635	100	20,25,81,000	100	600	1,038	51: 16589	6,22,800	-

**Allocation to Non- Institutional Investors (After Technical Rejections):** The Basis of Allotment to the Non-Retail Individual Investors, at the issue price of ₹ 227.00/- per Equity Share, was finalized in consultation with National Stock Exchange of India Limited. The category was subscribed by 460.79 times. The total number of shares allotted in this category is 2,67,000 Equity shares out of reserved portion of 2,67,000 Equity Shares.

No. of Shares Applied for (Category wise)	Number of applications received	% to total	Total No. of Shares applied in each category	% to total	Ratio of allottees to applicants	Total No. of shares allocated/ allotted	% to total	Surplus / Deficit	
600	1	0	600	0	0	0	0	-1	
1200	14321	58.39	17185200	13.96	62	14321	37200	13.96	-95
1800	2344	9.55	4219200	3.42	15	2344	9000	3.37	-156
2400	792	3.22	1900800	1.54	7	792	4200	1.57	75
3000	676	2.75	2028000	1.64	7	676	4200	1.57	-201
3600	518	2.11	1864800	1.51	1	74	4200	1.57	153
4200	946	3.85	3973200	3.22	7	473	8400	3.15	-222
4800	1975	8.05	9480000	7.7	34	1975	20400	7.65	-173
5400	320	1.3	1728000	1.4	3	160	3600	1.35	-150
6000	651	2.65	3906000	3.17	2	93	8400	3.15	-77
6600	191	0.77	1260600	1.02	5	191	3000	1.12	264
7200	141	0.57	1015200	0.82	4	141	2400	0.9	197
7800	79	0.32	616200	0.5	2	79	1200	0.45	-137
8400	153	0.62	1285200	1.04	5	153	3000	1.12	211
9000	228	0.92	2052000	1.66	7	228	4200	1.57	-253
9600	68	0.27	652800	0.53	1	34	1200	0.45	-217
10200	36	0.14	367200	0.29	1	36	600	0.22	-197
10800	66	0.26	712800	0.57	1	22	1800	0.67	253
11400	46	0.18	524400	0.42	1	23	1200	0.45	62
12000	117	0.47	1404000	1.14	5	117	3000	1.12	-47
12600	26	0.1	327600	0.26	1	26	600	0.22	-111
13200	65	0.26	858000	0.69	3	65	1800	0.67	-62
13800	16	0.06	220800	0.17	1	16	600	0.22	121
14400	18	0.07	259200	0.21	1	18	600	0.22	37
15000	37	0.15	555000	0.45	2	37	1200	0.45	-4
15600	6	0.02	93600	0.07	0	0	0	0	-203
16200	10	0.04	162000	0.13	1	10	600	0.22	248
16800	8	0.03	134400	0.1	0	0	0	0	-292
17400	15	0.06	261000	0.21	1	15	600	0.22	34
18000	48	0.19	864000	0.7	1	16	1800	0.67	-75
18600	9	0.03	167400	0.13	1	9	600	0.22	237
19200	10	0.04	192000	0.15	1	10	600	0.22	183
19800	7	0.02	138600	0.11	1	7	600	0.22	299
20400	30	0.12	612000	0.49	1	15	1200	0.45	-128
21000	16	0.06	336000	0.27	1	16	600	0.22	-129
21600	17	0.06	367200	0.29	1	17	600	0.22	-197
22200	19	0.07	421800	0.34	2	19	1200	0.45	285
22800	7	0.02	159600	0.12	1	7	600	0.22	254
23400	6	0.02	140400	0.11	1	6	600	0.22	295
24000	17	0.06	408000	0.33	1	17	600	0.22	-285
24600	4	0.01	98400	0.08	0	0	0	0	-214
25200	2	0	50400	0.04	0	0	0	0	-109
25800	11	0.04	283800	0.23	1	11	600	0.22	-16



(Continued from previous page...)

Table with columns for share numbers, percentages, and other financial metrics. It lists various share categories and their corresponding values.

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Allocation to Qualified Institutional Buyers (excluding Anchor Portion) (After Technical Rejections): The Basis of Allotment to the Qualified Institutional Buyers, at the issue price of ₹ 227.00/- per Equity Share, was finalized in consultation with National Stock Exchange of India Limited. The category was subscribed by 110.80 times. The total number of shares allotted in this category is 3,55,800 Equity shares out of reserved portion of 3,55,800 Equity Shares.

Table with columns: No. of Shares Applied for (Category wise), Number of applications received, % to total, Total No. of Shares applied in each category, % to total, Ration of allottees to applicants, Total No. of shares allocated/allotted, % to total, Surplus/Deficit. It provides a detailed breakdown of share allocations.

The Board of Directors of the Company at its meeting held on March 12, 2024, has taken on record the Basis of Allotment of Equity Shares, as approved by the Designated Stock Exchange viz. National Stock Exchange of India Limited and has authorized the online corporate action for the allotment of the Equity Shares in dematerialized form to various successful applicants.

The CAN-cum-Refund Orders and Allotment Advice and/or Notices are being dispatched to the address of the applicants as registered with the depositories / as filled in the application form on March 12, 2024. Further, the instructions to Self-Certified Syndicate Banks being processed on March 12, 2024 for unblocking fund. In case the same is not received within Two (2) days, investors may contact at the address given below. The Equity Shares allocated to successful applicants are being credited to their beneficiary accounts subject to validation of the account details with the depositories concerned. The company shall file the listing application with National Stock Exchange of India Limited on or before March 13, 2024. The Company is in process of obtaining the listing & the trading approval from National Stock Exchange of India Limited and the trading is expected to commence on or before March 14, 2024.

Note: All capitalised terms used and not specifically defined herein shall have the same meaning as Ascribed to them in the Prospectus dated March 12, 2024.

DISCLOSURES PERTAINING TO THE BRLM'S TRACK RECORD ON PAST ISSUES WITH A BREAKUP OF HANDLING OF SME IPOs FOR THE LAST 3 YEARS:

Table with columns: TYPE, FY 2021-22, FY 2022-23, FY 2023-24. It shows the track record of the company's handling of SME IPOs over the last three years.

The details of the allotment made would also be hosted on the website of the Registrar to the Issue, MAS Services Limited at investor@masserv.com. All future correspondence in this regard may kindly be addressed to the Registrar to the Issue quoting full name of the first/sole applicants, serial number of the application form, number of shares applied for and Bank Branch where the application had been lodged and payment details at the address of the Registrar given below:

Complex block containing logos for Horizon Management Private Limited, MAS Services Limited, and Shree Karni Fabcom Limited. It also includes contact information for each entity, such as addresses, phone numbers, and websites.

On Behalf of the Board of Directors SHREE KARNI FABCOM LIMITED Sd/- Jyoti Chittangiya Company Secretary and Compliance Officer

Place: Surat Date: March 12, 2024

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF SHREE KARNI FABCOM LIMITED.

Disclaimer: Shree Karni Fabcom Limited has filed the Prospectus with the RoC on March 12, 2024, and thereafter with SEBI and the Stock Exchanges. The Prospectus is available on the website of NSE Limited at https://www.nseindia.com/ and on the websites of the BRLM's, at www.horizonmanagement.in and Investors should note that investment in Equity Shares involves a high degree of risk and for details relating to the same, please see "Risk Factors" beginning on page 28 of the Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in "offshore transactions" in reliance on Regulation under the Securities Act and the applicable laws of each jurisdiction where such offers and sales are made. There will be no public offering in the United States.